

Message Text

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ORIGIN COME-00

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R 182149Z NOV 77
FM SECSTATE WASHDC
TO AMEMBASSY NEW DELHI
INFO AMCONSUL BOMBAY
AMCONSUL CALCUTTA
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E.O. 11652:N/A

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SUBJECT:FY 1977 CCP - FOURTH QUARTER FINAL REPORT

REF: NEW DELHI 15819

1. BEGIN SUMMARY: OVERALL U.S. COMMERCIAL OBJECTIVES AND
CAMPAIGN HIGHLIGHTS WERE SUBSTANTIALLY ACHIEVED. NEGLI-
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GIBLE SHORTFALLS IN ACCOMPLISHING PROGRAMMED ACTIONS WERE
MORE THAN OFFSET AND OVERSHADOWED BY EXCEPTIONALLY WELL
CONDUCTED CATALOG SHOWS, SUBMISSION OF EXCELLENT POST
CONDUCTED MARKET SURVEYS, VOLUNTARY INITIATIVES, AND COM-
PREHENSIVE REPORTING. USIS COOPERATION AND INITIATIVE IN
SUPPORT OF TRADE PROMOTIONAL ACTIVITIES AND U.S. ECONOMIC
INTERESTS IN INDIA IS COMMENDABLE. SUPPORT PROVIDED BY

OTHER ELEMENTS OF THE EMBASSY/CONSULATES REFLECTS OVERALL COUNTRY TEAM EFFORTS TO ACHIEVE COMMERCIAL GOALS IN A DIFFICULT AND CHANGING ECONOMIC ENVIRONMENT. END SUMMARY.

2. OVERVIEW: WCAG AGREES THAT PRINCIPAL COMMERCIAL OBJECTIVES WERE SUBSTANTIALLY ACCOMPLISHED WITHIN THE CONTEXT OF INDIA'S AMBIVALENT COMMERCIAL AND ECONOMIC ENVIRONMENT. IT WAS NOTED THAT THERE IS NO EFFECTIVE WAY TO MONITOR THE

DOLLAR VALUE OF CONTRACTS AWARDED TO U.S. FIRMS FOR PROJECTS FINANCED BY INTERNATIONAL FINANCIAL INSTITUTIONS. HOWEVER, BASED ON PAST REPORTING, IT IS APPARENT THAT U.S. FIRMS HAVE RECEIVED SUBSTANTIAL ENGINEERING AND SUPPLY CONTRACTS FOR PROJECTS IN THE PETROLEUM AND MINING SECTORS AND ARE IN A STRONG COMPETITIVE POSITION TO RECEIVE LARGE CONTRACTS RELATED TO THE POWER GENERATION AND COMMUNICATIONS PROJECTS BEING IMPLEMENTED BY THE GOI. IT WAS THE CONSENSUS OF THE WCAG THAT EMBASSY REPRESENTATION AND USG PARTICIPATION IN THE ECONOMIC AND COMMERCIAL SUBCOMMISSION CONTINUES TO HAVE A MODERATING EFFECT ON GOI FOREIGN INVESTMENT POLICIES.

3. CAMPAIGN NO. 1 - MINING MACHINERY: OBJECTIVES ACHIEVED: MADRAS 1268 AND NEW DELHI A-165 ARE EXCELLENT EXAMPLES OF AGGRESSIVE TRADE OPPORTUNITY REPORTING AND USEFUL FOLLOW-UP INFORMATION. OED DISSEMINATED MADRAS 1268 TO 28 U.S. UNCLASSIFIED

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FIRMS AND TRADE ASSOCIATIONS. IT WAS NOTED THAT 5 OF THE U.S. FIRMS WHICH RECEIVED ORDERS IN THE MAGNITUDE OF 15 MILLION DOLLARS IN CONNECTION WITH THE KUDREMUKH PROJECT WERE MEMBERS OF THE MINING AND CONSTRUCTION TRADE MISSION TO INDIA DURING DECEMBER 1974.

4. CAMPAIGN NO. 2 - PUMPS, VALVES AND COMPRESSORS: PERFORMANCE AND INITIATIVE BY THE EMBASSY/CONSULATES IN CONDUCTING THE CATALOG SHOWS WAS OUTSTANDING AND RESULTS EXCEEDED EXPECTATIONS. WCAG NOTED THE UNQUALIFIED SUPPORT BY USIS WHICH INCLUDED PROVIDING SPACE, FURNITURE AND PHOTO DISPLAY PANELS, VTR SHOWINGS, ORGANIZING PRESS CONFERENCES AND SEMINARS, PRE-EVENT PUBLICITY, DESIGN AND LAYOUT SERVICES FOR PROMOTIONAL LITERATURE AND OTHER FORMS OF ASSISTANCE IN DIRECT SUPPORT OF THE COMMERCIAL PROGRAM. USIS SUPPORT FOR THIS CAMPAIGN, AND OTHERS, IS INDICATIVE OF THE OVERALL COUNTRY TEAM COOPERATION AND EFFECTIVENESS.

5. CAMPAIGN NO. 3 - ELECTRONICS AND COMMUNICATIONS: WCAG CONCURS FULLY IN EMBASSY ASSESSMENT THAT POST INITIATIVE ACHIEVED RESULTS WHICH FAR EXCEEDED CAMPAIGN OBJECTIVES.

DESPITE THE SUCCESS OF THE EIPT CATALOG SHOWS, THE RESPONSE FROM U.S. INDUSTRY FOR A FOLLOW-UP TRADE MISSION SCHEDULED IN JANUARY 1978 HAS NOT BEEN ENTHUSIASTIC AND CANCELLATION OR POSTPONEMENT MAY BE NECESSARY. COMPREHENSIVE TRADE OPPORTUNITY REPORTING RELATED TO THE SATELLITE/ COMMUNICATIONS PROJECT WAS NOTED.

6. CAMPAIGN NO. 4 - PROCESS CONTROL INSTRUMENTATION: LACK OF INTEREST BY U.S. INDUSTRY NECESSITATED CANCELLATION OF THE TECHNICAL SALES SEMINAR THAT HAD BEEN SCHEDULED IN CONJUNCTION WITH THE INDIAN SPONSORED INTERNATIONAL SYMPOSIUM WISSITEX HELD DURING NOVEMBER 1976. NEVERTHELESS, EMBASSY/CONSULATE INITIATIVES ACHIEVED MAXIMUM IMPACT WITH MINIMUM RESOURCES INCLUDING THE EFFECTIVE PROGRAMMING
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OF DR. JOHN K. TAYLOR FROM THE NATIONAL BUREAU OF STANDARDS WHO WAS RECRUITED AND FUNDED BY USDOC. WCAG WAS PLEASED TO NOTE THE MAGNITUDE OF U.S. EXPORTS RESULTING FROM EMBASSY INITIATIVE TO CONVINCE AGENTS OF U.S. MANUFACTURERS TO DISPLAY PRODUCTS IN THE WISSITEX TRADE EXHIBITION.

7. CAMPAIGN NO. 5 - SCIENTIFIC, INDUSTRIAL AND MEDICAL INSTRUMENTS: THIS CAMPAIGN WAS CONDUCTED IN CONJUNCTION WITH CAMPAIGN NO. 4 AND OBJECTIVES WERE SUBSTANTIALLY ACCOMPLISHED.

8. CAMPAIGN NO. 6 - CHEMICAL INDUSTRY MACHINERY AND EQUIPMENT: OBJECTIVES SUBSTANTIALLY ACCOMPLISHED.

9. NON-CAMPAIGN INITIATIVES: ALL ACTIVITIES CONSIDERED FULLY ACCOMPLISHED WITH THE EXCEPTION OF NO. 6 - MARKET RESEARCH. POST SUBMITTED THREE OF FOUR SCHEDULED MARKET SURVEYS. THE REPORTS RECEIVED ARE CONSIDERED EXCELLENT AND REFLECT A HIGH DEGREE OF PROFESSIONALISM IN MARKET RESEARCH. THE REPORTS HAVE BEEN REPRODUCED AND DISSEMINATED TO INTERESTED TRADE ORGANIZATIONS UNDER THE OIM MULTIPLIER PROGRAM. WCAG RECOGNIZES EXTENUATING CIRCUMSTANCES WHICH DEFERRED COMPLETION OF THE SURVEY ON COMMUNICATIONS EQUIPMENT. IN VIEW OF THE INTEREST IN THIS POTENTIAL MARKET BY U.S. INDUSTRY AND PLANNED PROMOTIONAL EFFORT FOR THE USDOC SCHEDULED COMMUNICATIONS TRADE MISSION IN NOVEMBER 1978, IT IS REQUESTED THAT EFFORTS BE MADE TO COMPLETE THIS REPORT AS SOON AS POSSIBLE.

10. WCAG DISCUSSED THE INHERENT DIFFICULTIES OF DOING BUSINESS IN INDIA, PARTICULARLY IMPORT CONTROL RESTRICTIONS AND THE PERVASIVE GOI BUREAUCRACY. IN VIEW OF 'D
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INDIA'S SUBSTANTIALLY IMPROVED FOREIGN EXCHANGE POSITION AND PRONOUNCED POLICIES OF IMPORT LIBERALIZATION, IT IS HOPED THAT CONTINUING COUNTRY TEAM EFFORTS WILL RESULT IN HIGHER LEVELS OF U.S. EXPORTS AND TWO-WAY TRADE DURING THE FUTURE. WCAG ALSO NOTED THE QUALITY AND QUANTITY OF WTD, MAJOR PROJECTS AND OVERALL TRADE OPPORTUNITY REPORTING IN SUPPORT OF CAMPAIGN OBJECTIVES.

11. EXIMBANK NOTED THAT ITS EXPOSURE IN INDIA HAS BEEN DECLINING RAPIDLY BECAUSE REPAYMENTS AGAINST PRIOR LOANS HAVE EXCEEDED NEW BUSINESS BUT IS OPTIMISTIC FOR INCREASED ACTIVITY IN THIS MARKET. THE RECENT VISIT OF THE EXIMBANK TEAM DURING NOVEMBER 1977 REINFORCED THE FAVORABLE ATTITUDE OF EXIMBANK TOWARD INDIA (NEW DELHI 15983). VANCE

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